reported to me. In particular, I failed to monitor and control the Moderate Rehabilitation Program, commonly referred to as the ''mod rehab'' program, when it was being operated, at least in part, to benefit certain consultants, developers, and ex-HUD officials. As a result, a number of political appointees, including Deborah Dean and certain other members of my staff, used the program to see that their friends or political allies received mod rehab projects.

In addition, my own conduct failed to set the proper standard. On a number of occasions, I met or spoke privately with personal friends who were paid to obtain funding for mod rehab projects, including, among others, James Watt, Gerald Carmen, and Robert Rhone. These meetings and conversations, and my following discussions with staff members, created the appearance that I endorsed my friends' efforts and sent signals to my staff that such persons should receive assistance. While I never financially benefited in any way from these projects, these meetings and contacts were inconsistent with the HUD Standards of Conduct prohibiting actual or apparent undue or improper favoritism, and my related instructions to my staff.

I was the person entrusted with the duties of Secretary and I was the person responsible for the Department. If I am to take credit for its successes, I must also take the blame for its problems. I have no doubt that the manner in which the mod rehab program was administered was flawed, and was not consistent with how the program was portrayed to Congress and the public. Despite certain warning signs, and my own meetings and conduct, as described above, I failed to ensure that the mod rehab program operated properly.

I have come to some of these conclusions as a result of facts revealed by the investigation and the prosecutions conducted by the Office of Independent Counsel. Prior to that investigation, I had testified before Congress. I was ill-prepared for the congressional hearing and appeared without counsel. Reviewing my exchanges with Members of the Lantos Subcommittee, I see that I answered certain questions with broad responses that did not always accurately reflect the events occurring at HUD several years earlier. Similarly, one of my answers to inquiries made by the Public Integrity Section of the Department of Justice was not completely responsive.

These last five years have been difficult ones for me, but my parents taught me that I must not shrink from my duties. I was the guardian of the HUD gates, and I rested on my post when vigilance was most needed. In light of my conduct and that of others at HUD, I fully understand and accept responsibility for the necessity for the Independent Counsel's investigation. However, in my forth years of public service I never received a single improper benefit for my actions—no money, no tickets, no trips, nothing. Nonetheless, I fully accept responsibility for my role in what occurred at HUD, and deeply regret the loss of public confidence in HUD that these events may have entailed.

[From the Standard Times, July 25, 1995]

HOUSING CRUNCH HITS POOR MOST—WAITING LISTS FOR AFFORDABLE UNITS IN AREA KEEP GROWING

(By Keith Regan)

NEW BEDFORD.—A drop in the number of affordable apartments is sending record numbers of low-income families to area housing authorities for help. But housing officials say budget cuts are forcing them to turn people away or add them to already lengthy waiting lists.

As many as 1,000 individuals and families are waiting for spaces in the city's 3,900 units of public or subsidized housing, according to Joseph Finnerty, executive director of the New Bedford Housing Authority.

Mr. Finnerty said the fact that few new units of affordable housing have been built by private developers in recent years has contributed to the influx of applicants.

''The apartment buildings you see built on the edge of town aren't aimed at low-income residents,'' he said. Meanwhile, as those buildings went up, many older apartment buildings that once housed affordable housing were being demolished in New Bedford and other large cities.

''There's a decrease in the number of affordable apartments at the same time economic conditions mean more people need them,'' said Mr. Finnerty.

The problem is not limited to the city, however.

In Wareham, the wait for one of the town's 32 units of public housing ranges from six to 12 months, according to Housing Authority Executive Director Pamela Sequeira.

''We don't have the funds to offer any new housing programs,'' Ms. Sequeira said. ''And these families can't find affordable apartments on their own.''

A report issued Monday by the Center on Budget and Policy Priorities finds the national shortage of public housing reached record levels in 1993, with low-income families out-numbering affordable housing units by a two-to-one margin.

Based on ceasus data, the report found 11.2 million low-income renters and just 6.5 million units of low-income housing. Affordable housing is defined as taking up less than 30 percent of a resident's income, low-income is defined as any family or individual earning $12,000 a year or less.

The report cites a decrease in the number of low-rent homes due to the gentrification of some urban areas and the abandonment of run-down housing in others.

Mr. Finnerty said he has witnessed the decline of affordable housing units over the last decade since Congress eliminated a tax break in 1965 that encouraged private developers to build low-income housing.

''They took away the incentive for developers to include low-income housing in their buildings,'' he said.

Fairhaven resident Joaquin ''Jack'' Custodio said public housing programs have long fallen short of their goal of providing families a way out of poverty.

''It's the strong versus the weak,'' Mr. Custodio said. Residents of housing projects ''aren't given any power'' to improve their lives, he added.

Housing, unlike other public assistance is not an entitlement program, meaning families who do not receive public housing or federal subsidies must fend for themselves, Mr. Finnerty said.

Still, he said, the need for public housing is tied to other programs, such as Aid to Families with Dependent Children, with cuts in those forms of asssitance making it even more difficult for families to afford housing.

Ms. Sequeira cited the report's finding that most families who do not receive public housing assistance spend more than half of their income on housing. Many, especially elderly families on fixed incomes, can ''end up in a deficit in their first month,'' she said.

''Something else has to give,'' said Mr. Finnerty. ''An elderly person might spend less on medicine or a family might not eat as well as they should to make up the difference.''

Mr. Finnerty also said the study's timing is crucial. Congress is currently considering a $7 billion reduction in the Department of Housing and Urban Development's budget for next year.

The New Bedford Housing Authority is already facing a 14 percent cut in this year's budget and a 28 percent cut for the next fiscal year, which begins in October.

''It's only going to get worse,'' Mr. Finnerty said.

MEDICARE CUTS

HON. BOBBY L. RUSH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 28, 1995

Mr. RUSH. Mr. Speaker, I rise today as the voice of hundreds of senior citizens in the First Congressional District of Illinois and none of them wants cuts of any kind in their Medicare Program.

These older Americans were angry. They were scared. And they are not going to stand for these draconian cuts.

They know that the Republicans have committed themselves to squeezing $270 billion out of the Medicare budget over the next 7 years.

The budget resolution sets out a gradual path of Medicare reductions, and most of the impact will not be felt until after November 1996, safely clearing the way for many Republicans up for reelection.

So make no mistake about it. This is not about policy making.

This is about politics—plain and simple.

The seniors want a clear mandate delivered to the Republican Party. They want them to know that seniors are not old or forgetful. Seniors are not ''very pack-oriented and very susceptible to being led,'' as a leaked GOP strategy memo indicates. On the contrary, they will remember, a year from this November, who it was that slashed their Medicare Program and left them out in the cold to fend for themselves.

CELEBRATING MEDICARE'S 30TH BIRTHDAY

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 28, 1995

Mr. RICHARDSON. Mr. Speaker, this week marks the 30th anniversary of Medicare, one of the Nation's most successful undertakings. Because of Medicare, America's seniors no longer choose between medicine and food or rent, and consequently their health has improved dramatically. Ironically, one of the reasons we are currently considering Medicare reform is due in large measure to its profound success. Americans are living longer, and many more reach an age where greater health problems emerge. This is a fortunate turn of events, and we must not use it to ransack a system that has served the Nation well.

Medicare is a remarkable testament to the good that can come from deliberative, open, bipartisan efforts to solve an oncoming health crisis. The Medicare concept was debated in Washington for 13 years before finally being signed into law in 1965. Many skeptics predicted that it would bankrupt the United States, that the contributions seniors made prior to retirement would evaporate, and that our health care system would become substandard. In fact, none of these events occurred. Medicare has been overwhelmingly successful.

Currently, there are 37 million Americans enrolled in Medicare, and 205,000 of them are New Mexicans. Today, 99.1 percent of all Americans over the age of 65 have health insurance coverage, primarily due to Medicare. The poverty rate for aged Americans has fallen by nearly 50 percent since Medicare's inception, and this is largely attributable to the fact that seniors receive effective preventive and acute health care at reasonable costs.

We must accomplish the difficult task of extending the life of Medicare, and it should not interfere with our commitment to balance the budget. But we also must examine the effects of current proposals carefully. In our rush to achieve ambitious goals, we cannot overlook the economic and social importance of adequate health care for seniors and the continued viability of local hospitals.

I commend to you the following article, written by Dr. Lyle Hagan of my district, which outlines the serious impacts current proposals will bring about.

STORM LOOMING FOR MEDICARE

(By Dr. R. Lyle Hagan)

On July 28, 1995 Medicare will celebrate its 30th birthday. As we all know, Medicare is a U.S. Government program that provides medical care for the nation's elderly. In addition Medicaid—a government administered program, provides medical services to the poor; financed jointly by Federal and State governments.

During the past several weeks, Congress has been deeply involved in cutting costs in all areas of government administration. Congress has established a Budget resolution for the fiscal year 1996 (FY 96).

The American Association of Retired Persons (AARP) fully supports deficit reduction, but it also believes that deficit reduction should be fair and balanced. The (FY 96) Budget Resolution proposes to take nearly half of the deficit reduction in the next seven years out of Medicare and Medicaid. In both programs these are the largest cuts ever proposed.

In 1995, the average older beneficiary will spend about $2,750 out-of-pocket to cover the cost of medicare premiums, deductibles, coinsurance and the cost of services not covered by Medicare.

Under the Budget Resolution (FY 96), an average beneficiary would end up spending a total of about $29,000 over seven years—an increase of about $3,400. To achieve the medicare spending reductions in these proposals, costs that are currently paid by the Medicare program would probably be shifted to Medicare beneficiaries in the form of higher premiums, deductibles and coinsurance.

These could include: a higher medicare Part B premium; an increase in the annual Part B deductible to $150, indexed to program growth; a new 20 percent home health insurance; a new 20 percent coinsurance for skilled nursing facility care; a new 20 percent lab coinsurance and a new income-related premium for higher-income beneficiaries.

All of these options have been under review in the Congress this year. Currently, the Part B premium intended to approximate 25 percent of Part B costs. In 1995, the premium is $46.10 per month, $553.20 annually. It is estimated to grow to $60.80 per month, $729.60 annually by 2002. The premium is deducted from most beneficiaries' social security checks. The remaining 75 percent of Part B costs are paid from general revenues.

Under the proposal by FY 96, the Budget resolution could substantially increase the Part B premium paid by medicare beneficiaries thereby shifting higher health care costs to medicare beneficiaries. Under the proposal, the premium is estimated to jump to $97.70 per month, or $1,172.40 annually by 2002. That is $442.80 more than the beneficiary would pay under current law. Over the next seven years, most medicare beneficiaries would pay an estimated additional $1,590 for the Part B premium alone.

The FY Budget resolution includes the largest Medicaid reductions in the history of the program—$182 billion in savings over the next seven years. In the year 2002 alone, the budget proposal would reduce projected federal medicaid spending by $54 billion, a reduction of about 30 percent below what the government estimates it will cost to run the program delivering the same services and benefits that it does today.

Medicaid is the health and long-term care safety net for vulnerable children, older and disabled Americans. More than four million older Americans depend on medicaid for coverage of preventive care, prescription drugs, nursing home and home community-based long-term care. In addition, more than 15 million low-income children are covered by Medicaid.

How individual states would respond to the proposed cuts would vary by state, but some things are clear. It is unlikely that states would raise taxes or shift money to make up for the federal reductions. According to estimates by the urban institute, in the year 2002, more than eight million Americans could lose their medicaid coverage as a result of these proposed reductions.

Senior citizens may ask their Senator or Representative in Congress about Medicare and Medicaid cuts and how they will affect their future health and medical care.

INTRODUCTION OF THE ERISA CHILD ABUSE ACCOUNTABILITY ACT

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 28, 1995

Mrs. SCHROEDER. Mr. Speaker, I am introducing the ERISA Child Abuse Accountability Act. This bill is a natural extension of legislation that I introduced last session, the Child Abuse Accountability Act, which Congress passed and President Clinton signed into law, Public Law 103–358.

The ERISA Child Abuse Accountability Act amends the Employment Retirement Income Security Act [ERISA] to allow victims to collect monetary awards from their abuser's pension. As a result of last year's legislation, victims of child abuse can now collect from an abuser's pension if it is a Federal pension. The ERISA Child Abuse Accountability Act allows victims to collect from private sector pensions as well.

It is vital that we, as a nation, dedicate ourselves to protect the welfare of our children and guarantee that anyone who commits a crime against them is held accountable. That is what The ERISA Child Abuse Accountability Act does.

The children who survive abuse face a lifetime of scars, both physical and mental. Some of these survivors turn to our court system to hold their abusers civilly accountable for their crimes. They endure traumatic trials, reliving the years of torment in order to hold their abusers responsible. Tragically, vindication by a court is only the beginning of the struggle for countless victims. Even after a court finds the abuser guilty and awards the survivor compensation, our laws prevent satisfying a court order with money from a pension.

This bill ends this injustice by creating a right to payment to satisfy a child abuse judgment. Under current law, private pensions are already accessible for child support and for spousal payments. This bill adds child abuse compensation as an obligation that must be met.

We hear a lot of talk in this body about protecting children and victims. But the fact is, there are laws that Congress has passed that protect abusers and prevent justice for victims. If we do not change those laws, our words ring hollow. I urge Members to support this bill.

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1996

SPEECH OF

HON. JACK REED

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 27, 1995

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2099) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1996, and for other purposes:

Mr. REED. Mr. Chairman, it is with great concern for veterans, seniors, the poor and our environment that I rise in opposition to the VA, HUD and Independent Agencies Appropriation bill for fiscal year 1996.

This bill before us is an ill-conceived, mean-spirited attack on the most vulnerable citizens in America. While those may sound like harsh words, here are the harsh figures; a 50-percent reduction in funding to fight homelessness, $400 million less for section 8 operating costs and a $1.2 billion cut in modernization funds for public housing. For veterans, there is $250 million less than what the VA said is necessary to maintain the current service level and quality for medical care and $500 million less in administrative and construction costs. The EPA budget is cut by a third, resulting in no new cleanups and no funding for the safe drinking water loan fund.

Under this bill, Rhode Island would lose $7.7 million in rehabilitation and repair funds and $2 million that maintains 10,401 public housing units. In addition, our State, which last year assisted 4,910 people who came to emergency and domestic violence shelters, will lose nearly $2.6 million needed to assist these people. Ironically, if this bill passes, more people will be homeless and need this type of help.

I am also afraid that the news for Rhode Island's veterans is equally discouraging. While some programs nationwide have been increased, veterans in southeastern Rhode Island will again wait for needed improvements. In 1990 the VA bought a building to consolidate VA services in Rhode Island. Now, that building is unoccupied and our vets are waiting for the promised consolidation. Unfortunately, because this consolidation is not funded, the Government will continue to pay rent